

COMMISSION CONFERENCE

JULY 16, 2002

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V City Manager Reports

COMMISSION CONFERENCE**1:30 P.M.****JULY 16, 2002**

Present: Mayor Naugle
Commissioners Hutchinson, Katz, Moore, and Smith

Also Present: City Manager, City Attorney, and City Clerk

I-A – Budget Message

The City Manager presented his recommended budget for the ensuing fiscal year. He stated that it was his personal opinion that budgeting was not limited to a 12-month fiscal year period, but represented a continuum of policies determined by the City Commission. He further stated that he believed this budget provided a mechanism to move toward the accomplishment of long-term goals set forth in the vision for 2011 when the City would turn 100 years old. He suggested they compartmentalize the multitude of tasks one-by-one.

The City Manager stated that at the top of the list was a provision for quality services, the continued revitalization and rebuilding of the portions of the City that previously did not have the benefits of economic growth, the enhancement of quality of life issues for all citizens, and the services used in an emergency whether due to a natural or man-made disaster. He explained that they needed to minimize the impact on the average homeowner.

The City Manager began showing exhibits that would explain the proposed budget. The first explanation involved comparisons from last year to what was being recommending for the ensuing fiscal year.

	FY2002	FY2003	%
General Fund	\$ 192.0	\$ 206.8	7.7%
All Funds	\$ 354.4	\$ 349.3	1.1%
Operating Rate	\$4.8672	\$4.8472	-0.6%
Total Tax Rate	\$5.3730	\$5.2723	-1.9%

*Budget in millions of dollars

Rates per \$1,000 of taxable value.

The City Manager then began explaining where the resources would come from. He explained that in terms of the General Fund 42% would come from property taxes, 8% would come from charges for services. He further stated that in terms of All Funds 36% would come from charges for services, which would be a 6% increase, and included water and sanitation fees for a total of 36%. Property taxes would now only fund 27% of All Funds. He explained that the other categories of revenue remained consistent percentage wise to the previous year.

The City Manager continued explaining where the resources would go. He stated that this

Commission with the support of the citizens had public safety at the top of their priority list. Therefore, in the General Fund \$68.8 Million supported the police department which was 37% of the General Fund, and 21% supported the fire and rescue department. A recommendation was being made for \$40 Million. In connection with the All Funds category, \$93.4 Million went to public services at 32%. He explained they were talking about support for resources needed on the operating personnel level, not to be confused with the Water/Sewer Master Plan, but in connection with the maintenance of streets and highways. He continued to explain that 15% in the General Fund or \$28.8 Million went to Parks & Recreation.

The City Manager explained that his proposed budget covered all the basics. Beginning on September 15, 2002 two new areas would be annexed to the City and services had to be provided to those areas. Other basics to be covered in the budget included: City elections, providing a year of Office of Professional Standards, domestic preparedness for national emergencies, continuing police positions formerly funded by grants, a downtown planning study, the replacing of mechanical parking meters, adding resources for risk management, continued commitment to the PAVE Vehicle Program, meeting obligations of labor union agreements, and actuarially fund pension plans.

The City Manager further stated that \$154,500 was the amount used as an average cost of a home in Fort Lauderdale in figuring the impact of property taxes on the average homeowner, with a 3% adjustment which was the maximum increase allowed under the Save Our Homes legislation, therefore, there would be no impact on taxpayers. He further explained that in connection with water and sewer there would be an annual impact of \$15.60. The special assessment for fire-rescue would have a \$2.00 increase. Therefore, the total impact on the average homeowner would be \$17.60 for the next year.

The next step would be for the City Commission to adopt the proposed budget at the July 16, 2002 City Commission meeting and set the public hearings. The preliminary rates would then be transmitted to the Property Appraiser so TRIM notices could be sent out in August. Staff would then appear before the Budget Advisory Board and the various entities required.

The City Manager stated they were recommending, suggesting and asking the Budget Advisory Board to join with Administration in looking at more of the long-term plans, programs, and projects and be reactive and successfully engage in a partnership for the good of the City.

Commissioner Smith thanked the City Manager for applying fiscal conservatism to the budget and following the Commission's suggestions. He asked if it was appropriate to change the way money was invested in context of the budget. Mayor Naugle stated that most funds were in reserve accounts such as pension funds. Commissioner Smith stated that other investments were more volatile.

Damon Adams, Director of Finance, stated that they had over \$200 Million invested in operating and capital funds which could be pulled together. He explained they were

conservative in their investments and most was invested in government securities, such as fixed-income securities of a short term duration. He felt that the overall program was reasonable and produced results.

Commissioner Smith stated that the best investment for the past five years in this City had been in real estate.

The City Manager stated they could produce a report on their investment performance for the last few years and review the policies by which the State of Florida limits where money could be invested.

Commissioner Smith asked if monies were budgeted for management salary increases for the coming year and was interested in discussing a plan for merit increases. The City Manager stated they did propose a 3% increase. Commissioner Smith realized there were challenges regarding the Union contracts, but understood that employees felt they were not rewarded for their work. He hoped there was a place where savings could be incurred and a challenge put before the management staff to lower their budgets, and thereby get a reward of a merit increase.

Mayor Naugle stated that in addition to the 3% if an employee was not maxed out in their pay scale, they would be eligible for an additional increase of 0-7%.

Commissioner Katz stated that they were told that annexation would be revenue neutral and in reviewing the budget it appeared that 58 ½ positions were going to be added, and 41 were for annexed areas. She was concerned that the budget did not reflect if they would be reimbursed either by the County or through taxes.

Commissioner Moore left the meeting at 1:57 p.m. and returned to the meeting at 1:58 p.m.

Mayor Naugle stated that they had approximately \$350 Million in ad valorem assessments, plus the shared revenues with sales tax, and the items based on population would increase. Commissioner Katz suggested that a break-out be done showing what would come in and what would go out. The City Manager stated that could be done. The sales tax and property tax revenue would cover the annexation expenses.

Mayor Naugle remarked that it was an excellent idea to have a chart showing the actual revenue. Commissioner Smith remarked that they had asked for a percentage over the senior management salary be attributed also.

Commissioner Katz stated that nothing was shown about the health care deficit and how it would be addressed for the coming year. The City Manager stated that in terms of the number of reserves and special accounts, one being the insurance fund, they had stated that everything did not have to be cured in one year due to having the reserves, but the challenge was in leveling it off by the combination of adjustments to the claim and payroll deductions. He explained there was no direct hit on this year's proposed budget accountable to the

health plan deficit.

Terry Sharp, Assistant Finance Director, stated that there was over \$2 Million reflected in the budget for health care insurance cost increases.

Commissioner Katz that the full cost for the Office of Professional Standards was listed at \$450,000, and she felt this was over the top and asked for a further explanation of this matter. She stated that in Risk Management they were including 2.5 positions and office equipment.

The City Manager explained that most of the cost was attributed to personnel cost. He further stated that they predicated this on four people in the office being a Director, Coordinator, Administrative Aide, and an Investigator. This cost also included office rental space, training, and ancillary services provided by that office.

Mayor Naugle asked if the training expense involved outside contractors budgeted to that department, but was received by all departments in the City. The City Manager confirmed. The City Manager explained that this included training over and above that assigned to Bruce Lucier and his increased staff which was recommended in the Latimer Report.

Commissioner Katz reiterated that she felt this amount was over the top. Commissioner Smith asked how much had been spent with the old department. He was informed there was a \$90,000 increase from last year.

Commissioner Katz stated that on page 4 they discussed "wireless network connections between City facilities (\$130,000)," and people at her meeting stated that AT&T was supposed to be doing this and the City was not to pay for this.

Bruce Larkin, Director of Administrative Services, stated that the facilities connected now were with a variety of leased lines. They proposed to the Manager the creation of a wireless system to be used as a back-up, but this was not funded at this time. AT&T upgraded their system and within that franchise that was approved was a provision for an institutional network where they would provide fiber to the facilities. Once they received the final numbers on this, they would bring this to the Commission, and discuss financing possibilities. He stated this was an opportunity to build a network at a cost far below what the City could do themselves.

Commissioner Katz stated that the suggestion to put in place a long-range financial strategy was an excellent idea. She further stated that the downtown planning effort money was put aside last year, and suggested they do so this year. She stated they were hoping everyone would chip in, but what happened if they didn't. Commissioner Katz stated that \$100,000 was in last year's budget, but it was never used. Mayor Naugle asked if Commissioner Katz was suggesting they add another \$100,000 to that amount. Commissioner Katz confirmed. Commissioner Smith stated that he might be willing to do that, but he had some questions regarding additional information and timetables.

The City Manager stated that he understood Commissioner Katz's concerns, but he also wanted to provide the opportunity for the other partners.

Commissioner Hutchinson stated the City Manager had done a good job with the budget and she felt there were challenges ahead of them, and one of the biggest challenges she felt was the Water/Sewer Master Plan. She did believe that they were moving in the right direction. She stated that in reviewing the budget, she felt the 15-year old boat used for fire and rescue should be brought up to modern day standards. Mayor Naugle felt this was a good item for a grant. The City Manager stated they would make every effort to comply. Commissioner Smith asked how old a boat should be when determining "life expectancy," how often it was used, and other relevant facts. The City Manager stated this was an item that would be reviewed and worked on before the public hearing.

Commissioner Moore stated that he had a few items in the budget that he would like to comment on. One was that the management increase should be $2\frac{1}{2}$ plus $\frac{1}{2}$ and this would deal with the merit issues, as well as holding down costs. He stated that he was concerned, and had met with some of the residents of District III, about code enforcement issues and the methodology that would help provide additional staff. He explained that a subcommittee had done a report on the Code and its practices, but the report was unavailable for today's meeting. He asked if this matter could be discussed at the September meeting. Also, one of the recommendations made by this committee was to increase the staff for code enforcement, and the rationale was that monies were now available to readdress redevelopment in areas that previously did not have that opportunity. Commissioner Moore stated that this committee was created with members of all the civic associations in the district. He further explained that the committee would make recommendations to responses regarding vacant buildings and other issues to be considered as policy with the possibility of ordinance changes to meet those recommendations.

Mayor Naugle asked how this would be funded. Commissioner Moore stated that one of the ways could be from the fines received by stricter enforcement. Commissioner Smith asked if all the positions in code enforcement were filled.

Pete Witschen stated that he would have to check on this matter. Lori Milano, Community Inspections Director, stated they were down two building inspectors. She explained there were 18 code officer positions, 7 building inspectors, and this included the two inspectors for the CRA.

Commissioner Moore further stated that the committee would be reporting to the district, but nothing had been voted on yet. He believed the recommendation would be for 2-3 additional inspectors to be placed in code enforcement. He stated that he wanted the district to take a position before it was brought before the Commission. He further commended Code Enforcement because a number of properties that had been maintained on a regular basis and that 98% were in the northwest part of the City which would help create opportunities for redeveloping the area. Commissioner Smith stated that he would like to see some input on how the mix occurred between Code Enforcement and the Building Inspectors. He felt

there should be an increase in Code Enforcement Officers since they did the every day work regarding the quality of life for the citizens, and less Building Inspectors.

Commissioner Moore stated that he would like management to offer their input on the recommendations that would be made by the committee in September. He further stated that the other area he always stressed during the budget process was Parks & Recreation. He believed a lot could be done with programming and asked what type of increase or what recommendations were made in the proposed budget for an increase in personnel for Parks & Recreation.

Mayor Naugle stated there were 10 different employees listed and asked what were their classifications.

Mr. Sharp stated that in the proposed budget the provisions for Parks & Recreation were five maintenance positions to cover the annexed areas, two positions for the conservation areas obtained through the bond issue, two positions for Riverwalk, and one position for the Swimming Hall of Fame Parking Lot. Commissioner Moore emphasized there wasn't anything for programming. He strongly recommended that this issue be dealt with. He believed this could help the younger children in the City.

Commissioner Smith stated that they were asked about the strategy involving recreational programs for the budget, and his belief was that no one should get turned away. All children should have the opportunity to play in whatever sport they chose. Commissioner Moore stated that if individuals could not do what everyone else was doing due to insufficient income, that would increase negativity.

Mayor Naugle stated that when he read the section of the proposed budget under fees he interpreted that to mean they were going to be adjusted. Commissioner Moore reiterated that they needed to make sure that children had accessibility to the structured programs.

Commissioner Moore stated that his last issue with the proposed budget was in connection with the social service funding. He felt they were making a mistake cutting this out of the budget. He stated that if this was done randomly, they would spend more money and individuals would not receive a level playing ground. He, therefore, asked this item to be considered. He understood the positions being taken even though they did not all agree.

The City Manager stated that fees needed to be adjusted. Commissioner Hutchinson stated they were on the right track.

Mayor Naugle stated that the virtual service clerk in the One-Stop Shop involved having a computer available for customers to supply pertinent information without waiting to be assisted by a service clerk and asked if this could be utilized from people's homes.

Ms. Cecelia Hollar, Director of Construction Services, stated they were doing two things. One was to have online service from home, and to provide a computer in the Construction

Services office for people to log on without waiting in lines for assistance.

Action: Public Hearings to be held in September regarding the budget.

I-B – Federal Courthouse Rebuild/Expansion Program

Mr. Peter Witschen, Assistant City Manager, stated that he had distributed the results of the charrette that the DDA had sponsored. He continued stating that they had arrived at six different site locations and representatives from the GSA were present at today's meeting, along with Judge Zloch. He suggested there be discussion from the City Commission at this time.

Mayor Naugle stated that the No.1 location was the area west of City Hall.

Commissioner Moore stated that he liked Sites Nos.3 and No.4 which appeared to be viable for reasons listed in the backup materials, but he asked if they considered discussing the present location of the bus depot. Commissioner Smith asked Mr. Witschen to give the Commission a brief overview of all the sites.

Mr. Witschen stated that he would review each site in the order votes had been received. Site No.3 received the highest number of votes which was 21. The site was the bus terminal site owned by the County which would require relocation of the terminal. Site No.4 was the West Site which received 19 votes and was in the area of Kentucky Fried Chicken and the new health spa. Site No.6 was the South Side School site which received 13 votes. Site No.1 was over on Third Street and received 12 votes. Site No.2 was the One-Stop-Shop site receiving 10 votes, but in order to make this parcel work, they anticipated acquisition to the tracks. Site No.5 was the old Sun Trust/Cajun House Site which received 4 votes.

Mr. Witschen stated that the charrette tried to bring alternatives they felt would make the Courthouse the best economic development engine for the Downtown area. Since Site No.2 was the Federal Courthouse discussion ensued on its impact to pedestrians and N. Andrews Avenue. Mr. Witschen explained that the red circle on the map involved a disbursal requirement for federal funding in that if a new facility was built certain distances had to be followed in relation to the existing building. Commissioner Smith asked what the distance rule was based upon. Mr. Witschen stated that the logic was if a current site existed and a new facility was to be erected next to it, the better alternative would be to tear down or renovate the existing site and acquisition costs would not be involved. Mr. Witschen explained that the charrette had been attended by both the business and civic leaders.

Mayor Naugle asked for input from the General Services Administration and the public, and then questions could be asked by the Commission.

Mr. Tom Walker, Assistant Regional Administrator for GSA, stated that he was in charge of all the Federal office buildings and courthouses in the southeast. This region had over half of the national courthouse construction programs. Mr. Walker explained that they were

actually only talking about Site No.3 and the School Site. He explained that Site No.4 was outside of the commercial business area and they did not select this area. If this was chosen the City would have to change their boundaries for the commercial area. In comparing those two sites, they felt the school site was better for four reasons. Those reasons were: (1) they would provide better security and they had spoken to the Judge about adaptive re-use of the building itself and addressed security at the front edge of the property instead of inside the building; (2) it was further away from the "red circle" area; (3) it was closer to the legal community. He explained they were required to make the Courthouse accessible to the legal community. (4) The cost of the package to be negotiated with the City was based upon the appraised value of the building. If the cost was high, they would receive less in the exchange and costs would have to be reduced.

Mr. Walker stated that they frequently utilized the buffer zone as a park-type setting and felt it was a perfect site for the Courthouse. They felt the area could be secured and the appraised value would be reasonable. He explained that the Courthouse Complex would contain courts and court related offices. He further stated that the other functions would stay in the building as a lease with the new owner or move to other locations.

Commissioner Moore asked what their second choice had been.

Mr. Walker explained that Site No.3 was their second choice but it would have to be reviewed further because they felt other issues were involved, including environmental issues.

Mr. Witschen stated that this exercise was to discover if there were sites in public control or could be put in public control for the purpose of accelerating the funding. GSA had a normal process to discover sites. This exercise was to identify sites that the Commission could then direct them to pursue.

Commissioner Moore stated he was pleased with the professionals that had been brought in to work with the City on this project. He realized that in Site No.6 due to its close proximity to the Downtown area and was very viable, but regarding Site No.3 he wanted to address the impact of traffic for that area. He felt that this site would allow the redevelopment of the CRA area for attorneys to develop around the new Courthouse and yet keep the impact of traffic from penetrating to the Downtown area. The other issue he felt which was advantageous to Site No.3 was creating a governmental center concept. Commissioner Moore stated that in considering this site, they needed to review the redevelopment of the Lofts, the south area mobility study and the transportation connection. He agreed with their concern about the acquisition of surrounding properties, but he felt a franchise operation would want to remain in the area. Commissioner Moore stated that he felt the contamination issue was not a major one for the site, but reiterated that he was not an expert in this field.

Commissioner Moore further stated that his concern for Site No.6 was that the community had a certain affection for the recreational areas on the site and the historic structure, as well as what the School Board may want for the acquisition. He asked if the Commission would

be a negotiator in this discussion and assemble the property. Mr. Walker confirmed. Commissioner Moore asked if they knew what amount of money the School Board proposed for the site. Mr. Witschen stated he could check what the last offer was, but thought they were about to embark on a bidding process. Commissioner Hutchinson stated they were doing an RLI. Mayor Naugle stated it had been on the list for bond purchase. Commissioner Hutchinson stated that the County had approved the purchase and now they were moving forward to help the City.

Commissioner Smith stated that if the County had already appropriated \$2 Million to purchase the old school site for a park, there were many things working against them on the southern site. Mainly the residents did not want a federal facility on the site. The site on Broward was well received by everyone.

Mr. Walker stated they were in a negotiating process and nothing was set in stone. He reiterated that they preferred the school site, but they would be flexible.

Commissioner Hutchinson stated that many of them did not want to give up park land because it could not be replaced. She reiterated that when they did replace park land, it was with a commitment to put it back. She felt the majority at the last meeting were not willing to do this.

Mayor Naugle stated that they were being asked by staff to narrow it down and give them further direction. He continued stating that he felt they should leave Sites No.1-4 on the table. He stated that the City owned a portion of the land on Sites Nos.1, 2, and 3. He explained that he felt Site No.4 should be left in for strategic purposes.

Mr. Walker stated that they were on a time frame where a few months made no difference and he suggested that the City officials investigate appraisals, talk with the County and the owners of the properties, and then come back with a proposal to the GSA stating which of the two sites the City was interested in and what the value would be. Mr. Walker reiterated that any site proposed must be in a commercial business area.

Mayor Naugle stated that a motion could be placed on tonight's agenda to amend the CBD, if necessary.

Commissioner Moore stated that he wanted to give them what they wanted, but he also understood the political ramifications of doing so. With the Land Preservation Advisory Board doing their work in connection with the community's desires, he would rather say no to Site No.6. He believed that four sites would not be valid. If Site No.4 was out of the Central Business District unless boundaries were changed, he felt Sites Nos.2 and 3 were based on the input of the committee. Commissioner Smith agreed since most of the community agreed that Sites Nos.2 and 3 were easier to make the deal happen. Commissioner Katz felt they should also consider Site No. 4. Commissioner Hutchinson stated they should consider Sites 1-4.

Mayor Naugle stated this would be heard in approximately two months.

Commissioner Moore stated that the Judge expressed his apologies for having to leave this meeting early due to catching a flight, but would be in touch during this process.

Jeryl Madfis, South Andrews Business Association, stated that Site No. 6 was chosen by most of the residents as long as park land could be saved.

Dave Rose, Tarpon River Association, stated that the school site was in their area and they wanted to save the park. He felt that the work done by the charrette and the alternatives offered should be seriously considered. He explained they were 79 votes taken and 13 were for the South Side park site, and the remaining were for the sites north of Broward Boulevard. He stated the areas involved needed more economic stimulus.

Mr. Walker stated that in his experience in working with charrettes, there was no statistical difference between the favored site and the South Side school site. He suggested that this not be given as the reason for choosing a site, otherwise they would have to disagree.

Commissioner Moore stated that the Commission's position was in reference to land preservation. He urged staff to give the GSA all the information available regarding the south area mobility studies and the efforts taking place along the Boulevard.

Mr. Walker stated that he and Mr. Mike Roper would be working together on this matter.

Andy Ziffer, Tarpon River Resident, stated that one of the things that made up a city environment were the parks.

Commissioner Katz stated that the County was beginning work on a Master Plan for the Downtown area and felt they should be contacted so all plans could coincide with one another.

Commissioner Moore left the meeting at 2:58 p.m. and returned to the meeting at 2:59 p.m.

Action: Staff to come back in two months with a proposal.

I-C – Baltimore Orioles Baseball Spring Training at Fort Lauderdale Stadium

The City Manager stated that the City was engaged in discussions with the Baltimore Orioles and the matter was being considered in two ways. The first was the short-term potential for having spring training extended for a couple of seasons, but a longer term issue was whether the City had the acreage to accommodate both the spring training and the year-round minor league club. He also stated that they needed to jointly explore this issue.

Greg Kisela, Assistant City Manager, stated there could be a cost sharing between the Orioles and the City through ticket sales and a parking surcharge. He stated that the issue

was actually the dedication beyond the 2004 spring training. Due to safety issues, they needed to address the stadium and any long-term plans. Mr. Kisela explained that the Orioles, as well as the Yankees, stated they needed to have the minor and major league complexes together. He further stated this would include Lockhart Stadium, Fort Lauderdale Stadium, and the surrounding properties. He explained they were not prepared at this point to make a recommendation and felt this should be addressed in incremental steps. One of the suggestions was that the Orioles and the City have schematic designs done to see if they could fit the minor and major complex on the 50-acre parcel. The lease with the School Board expired in 2008. The Fusion still had the right to use a portion of the stadium during that time. Mr. Kisela stated that in the next 45-60 days they would bring back to the Commission information regarding whether the complex would fit on the site.

Mayor Naugle stated that the Commission would also like information on what type of economic impact this would have on the area.

Mr. Kisela stated that the first cost would be approximately \$10,000 and if this worked out, then they would consider the economic issues and build on them. He reiterated that the teams needed to plan for the future. Lockhart would have to be taken out of use which was a policy decision to be considered.

Mayor Naugle clarified that the two questions before the Commission were: (1) two-year contract; and (2) long-range issues.

Commissioner Katz stated that they needed to talk to the School Board and Fusion to see how flexible they were on this matter. Mr. Kisela stated that the Fusion had a right to use the stadium until 2008, and the School Board also had the right, but the City had the ability to buy them out for \$80,000 a year. The incremental step was whether a major/minor league complex would fit on the site, and also FAA issues had to be addressed.

Commissioner Moore stated that he was against this because he felt they would lose too much money as a City on such an endeavor. He asked if the Orioles would pay 42% of the total cost. Mr. Kisela stated that they were comfortable with the \$250,000 being the total cost and didn't feel it would exceed that amount. Additional repairs might be needed to uphold the structural integrity of the building and would be dealt with on a case-by-case basis. Commissioner Moore stated that monies had been lost in previous years and nothing had been returned to the taxpayers.

Commissioner Smith asked Commissioner Moore if he felt there would not be an economic impact from this endeavor. Commissioner Moore stated he did not feel there would be one according to the numbers he had seen. Mayor Naugle stated that it involved the enjoyment of the people and also gave publicity to the City. Commissioner Moore stated that they needed to find a way to pay for this. He asked for the City to negotiate the best transaction they could. Commissioner Moore further explained that he wanted the Orioles to pay 42% of the repair cost, and wanted the City to keep the surcharge until monies were recapped, and then sharing could begin.

Vince Gizzi, Parks & Recreation, stated that the cost of the repair was \$250,000 and the Orioles were committed for \$105,000. Through the surcharge, the City would keep recovering monies plus \$1.00 from each ticket sales, and in the next two years the City would receive \$140,000, and from the parking surcharge they would receive another \$40,000 in the next two years. He further explained this was based on past ticket sales.

Mayor Naugle stated if the agreement went on for a third or fourth year, there could be an opportunity to receive further revenue. Commissioner Moore wanted to understand the surcharge. If the City did not meet the amount that was proposed, including the additional revenues, where would the difference come from. He explained that the projections being made did not give him a feeling of comfort and wanted more insurance for the first two years.

Joe Foss, Chief Operating Officer of the Baltimore Orioles, described how this process was entered into. He explained they negotiated the repairing of the roof by supplying 42%. He felt they were giving a fair expression in their partnership with the City. This would be done in two ways: (1) They would guarantee up to 42% of the estimated cost of the roof repair; and (2) he felt they were going beyond their fair share by giving an additional \$1.00 per ticket and another \$1.00 received from parking to offset the City's cost.

Commissioner Katz felt they had made good steps in coming together, and depending if the site was large enough for the complex, there were ways to develop the site so the City would not be left with something that did not bring in revenue, and other development proposals could be done on the site including the stadium and minor league complex. She stated there were possibilities for the future. While repairs were being made, they could examine what could be done for the future.

Mr. Foss stated that the Orioles had been in the City for around 7 years and before them the Yankees had been here for a long time. He stated they had always been told that the Lockhart facility was not available so it was never looked at. He felt that there might be a long-term solution that had to be explored. In a preliminary conversation with their architects, they were told that 50 acres could accommodate the complex. Restrictions were placed on the property due to the close proximity of the Airport, and this information had to be evaluated. Mr. Foss stated they first needed to see if the site was large enough, and if it was they could begin discussing the economic benefits of the development for the City versus other benefits the City might receive from this property. He reiterated that they were far away from making any type of long-term decision in this matter.

Commissioner Smith stated that he went to school in Baltimore and when he received the tickets for the games, he was amazed at the requests people made for those tickets. He felt there were intangible benefits in keeping the teams here, and they should give it the old "college try." Commissioner Hutchinson stated that she was not convinced they were doing the right thing because it needed a lot of work, but she would support the majority on this issue. She felt the roof was just the beginning.

Commissioner Moore asked how the concession stands were set up. Mr. Foss explained that the Orioles had the rights to the concession stands and negotiated the agreements and then it was split 50%. Commissioner Moore asked what the City's obligations were in connection with the advertisement. Mr. Foss stated that the revenue went to the team. Commissioner Moore felt that if opportunities were available to generate revenue and it was all given to the team, he felt that was not good business sense. He believed they should negotiate part of the advertisement proceeds and bring in more revenue.

Action: As discussed.

I-D – Police and Firefighters Retirement System – Survivor Benefits

The City Manager stated that the last time this discussion came before the Commission, it was suggested that the actuary come to the meeting and provide the basis of his recommendation.

Commissioner Moore asked if it was actuarially sound to continue with the pattern of numbers being used, and therefore, there would be no impact on the Pension Plan.

Randall Stanley, Stanley, Holcombe & Associates, Inc., stated that there was legislation passed on the State level in 1999 that mandated liberalizations and benefits for firefighters in 2000. There was a line between 2000 and 1999 and prior. The issue was if the people who retired prior to 2000 died a clause stated that if the survivor remarried, the benefit was forfeited. This penalty was not present for any people retiring after the year 2000. The question was whether this cost the City money. Mr. Stanley proceeded to explain that actuaries made probability projections that resulted in budgeted costs to the City each year. He distributed copies of summaries for the Commission to review. He explained that they presumed that no one remarried. They were not discounting that benefits would be forfeited. Mr. Stanley stated that if they assumed that a certain number of survivors would remarry and forfeit their benefits, the City's cost would be reduced. If they assumed everyone would remarry, the City's cost would be reduced even further.

Mr. Stanley proceeded to explain that if everyone remarried, but the benefits were not forfeited, then the City's cost would go back up but would not exceed the level it was at presently. They did not include the probabilities of remarriage in their projections. Commissioner Moore asked if they included life expectancies in their studies. Mr. Stanley confirmed. Commissioner Moore continued stating that life expectancy for a man was shorter than for a woman. Mr. Stanley agreed. Commissioner Moore asked what the actuary's number was based upon. Mr. Stanley explained that for every member in the system, they projected until benefits stopped. They had separate assumptions for male mortality than for female mortality. For funding and budgeting, they used the best assumptions available. Mr. Stanley further explained that when a member took an option, they figured this on a unisex basis.

Commissioner Smith stated that they used the worse case scenario and this was how the pension plan was balanced. Mr. Stanley agreed that this was one way of stating the issue.

Commissioner Katz asked when the people retired before 1999, what were the probabilities the actuary used regarding life expectancy back in the 70's and 80's. Mr. Stanley explained that they recommended changes in the optional basis for the system last week. In the 70's a 1971 table was used and since then there was a 1983 and 1994 table. The 1983 table reflected an increase in longevity and the 1994 table reflected an even higher increase. For funding they were using the 1983 table and eventually they would recommend to the Board that they use the most recent table available. Mortality was not a major assumption in a retirement system. It was more important how much money could be earned on the assets.

Commissioner Katz continued to ask what mortality figures were used in those time periods. Mr. Stanley stated that in 1971 the life expectancy for a 65-year old male was approximately 12 years, and probably 6 years longer for a female. He further stated that according to the 1983 table, there was an expectancy of 14-15 years, and 5-6 years more for a female. Under the 1994 table, 2-3 years were added on.

Commissioner Smith asked if they recommended adjustments when this happened. Mr. Stanley replied they recommended adjustments for funding. He explained that they were hired as actuaries in December and they were trying to take the assumptions of the prior actuary to start out, and as they moved forward and quantified the experience, fine tuning would be done. Mr. Stanley explained that back in the 70's they assumed that assets would be earning about 5% and salaries would increase about 3% a year. From that perspective, they were now assuming that assets would earn approximately 8% per year long term.

Commissioner Katz asked if they made the assumption that the funding did not make infusions of cash. Mr. Stanley replied that they took every member and developed a present value of their projected benefits. They knew what assets were in the trust as of January 1, 2002, they knew how much active members were scheduled to contribute until retirement, and they knew how much was coming from the State, so the balancing item was the present day and future contributions. They were keeping their measurement of assets close to market. Commissioner Smith reiterated that it was standard practice for the employer to infuse money to keep the balance. Mr. Stanley explained that annually they were attempting to quantify what happened from one year to the next and what had to be fine-tuned.

Mayor Naugle clarified that he was hearing Mr. Stanley say that there would be a loss of savings if the worse case scenario was assumed, and costs could rise. Mr. Stanley further clarified that the costs would not go above where they stood at this time. Mayor Naugle asked if the savings would be reduced by granting these benefits. Mr. Stanley explained that any time a benefit was granted that was not previously available, there would be a cost. Mayor Naugle stated that the City's contribution could then increase if given to the 400 plus employees. Mr. Stanley stated it would not go up, but future savings could be reduced. Mayor Naugle further clarified that if the City's savings were reduced, then their contributions could be greater in the future. Mr. Stanley stated it would be below the present level. He

further explained and if that clause was eliminated and every survivor remarried, the level could rise.

Commissioner Smith stated if this was strictly about money, he would agree, but he felt it was more about valuing the police and fire departments and how the City determined to take care of their spouses upon their deaths. He felt there would be some pension savings if this benefit was not given, but he thought it was worth it. He asked if there was some sort of compromise that could be reached. He felt the greatest fear was if everyone remarried and all the savings would evaporate. He suggested that a cap be placed on this.

The City Manager stated that once a person received a benefit, it was hard to take it away. Commissioner Moore remarked that if some people received the benefit and others didn't, the City could find itself in a legal battle. The City Manager stated that they needed to address the group of employees who retired before the year 2000. If there was already a cap on the amount of people, then they could monitor this group, but he didn't feel there would be a run on this benefit. Commissioner Smith asked what happened if there was a run. The City Manager stated that it would be recognized, but there would not necessarily be an immediate impact on the funds and only a reduction. Commissioner Smith asked if they could then go back to the prior system and re-employ the penalty. The City Manager felt they could not do that.

Dennis Lyles, City Attorney, stated that two things had to be considered: (1) They were not negotiating with a bargaining unit. There were individuals who retired and were not represented and were not bound by any agreements or contracts unless each individual had a separate contract; and (2) there was a general rule in pension law and benefits law that once a benefit was vested for the person entitled to it, it could not be rescinded.

Commissioner Moore asked Mr. Stanley about his credentials. Mr. Stanley proceeded to state his credentials and reiterated that his firm was contracted as the actuary in December of 2001. Commissioner Katz remarked that it was not his qualifications as much as how actuaries generally made their determinations that was important, and what was "thrown in the bag" to help make their decisions.

Tom Magnifesta, President of the FOP, stated that the widows did not receive 100% of the pension after their spouses died. It dropped to 60% and the City retained a 40% cost savings. An important issue was the impact on the taxpayer and remarriage was insignificant because there would not be an impact over and above the initial amount.

Mayor Naugle remarked that just one person could cost the City \$2Million and this could possibly permit widows to receive multiple pensions if they remarried another officer.

Commissioner Moore asked if they were dealing with any other entities that had the same area of concern. The City Manager stated that he did not believe so and this all started with the legislation in 1999. He did not think that this penalty clause was in any other fund. Commissioner Moore asked how the penalty terminology came about. The City Manager

stated that it was the carry-over of terminology that had been used with the "marriage penalty" in connection with federal income tax. Commissioner Moore clarified that based upon the projected input, the projection of 8% would be used throughout the retirement, and there would be times the City would have to fund the pension plan, but in different degrees. Mr. Stanley once again explained the "cap" theory.

Commissioner Katz stated that in Mr. Stanley's letter he stated that there would be no immediate actuarial impact, but there would be a potential reduction in future gains. If the market was low and the City had to contribute, they would have to make up the difference. Mr. Stanley stated that each element of adverse experience increased the City's contribution, and if the market was so slow and the City had to contribute, that would be the biggest problem.

Commissioner Smith reiterated that they were talking about human beings and whether or not they felt morally responsible in allowing widows to keep their husband's pensions. Commissioner Moore felt it was the husband's moral obligation to provide for his spouse. Commissioners Hutchinson and Smith stated that the husband was not given the option to do this.

Mayor Naugle asked for a decision from the two Commissioners on whether they wished to add this benefit or not, so they could proceed to the next item. Commissioner Moore stated that he was not changing his mind, and Commissioner Katz also stated that she was not changing her mind.

Action: None taken at this time.

I-E – Neighborhood Registration Policy

Mayor Naugle stated that Commissioner Hutchinson recommended that this be put on today's agenda.

Commissioner Hutchinson stated that actually the Neighborhood Regulation Committee asked for this to be put back on since they did not have an opportunity to state their views completely at the last meeting.

Michael Kasten, President of the Council of Civic Associations, stated that last year they were sent on a mission to find a way for the Commission to recognize a bona fide Civic Association for the City, and to prevent splinter groups from happening and coming before the Commission. He explained that the six items on the list given to the Commission were sufficient to those requirements asked for by the Commission.

Mayor Naugle stated that he supported the recommendation as stated. It was not perfect, but it had a window of a one-year period where people had the opportunity to work things out, and he felt they should endorse this policy and if adjustments were needed in the future, then they could address the issues.

Commissioner Katz stated that since this decision was made at the last meeting, she wanted to add that if the two neighborhoods could not work things out, that neither neighborhood be given any monies until they did. Therefore, there would be no incentive for the pre-existing association to give up its boundaries, and consequently, if the splinter group had legitimate reasons for splitting, one would be forbidding any new groups to form. She felt this would be fair and there should be an incentive for the older group to work things out.

Mr. Kasten stated there was some miscommunication because this document had nothing to do with money or the NCIP, and only had to do with the registration and recognition procedures for civic associations. Mayor Naugle asked if they wanted to affect a grant they could make their case before the Commission. Commissioner Hutchinson stated they could still apply for NCIP. Commissioner Katz stated that they needed at least a year to attempt to work things out and nothing should be put into official status at this point until that could happen.

Mayor Naugle stated that members of the associations could speak, and then the Commissioners would be recognized.

Al Massey, President of Coral Ridge Association, stated they were in a neighborhood where a splinter group was seeking recognition and he encouraged the Commission to allow the time period for resolution. He also stated that there were two issues involved and time should be given to avoid a splinter group in the area.

Genia Ellis, Harbor Inlet, stated that one of the criteria for the Committee was to take the guidelines out of the City's hands, and that was the intent of the policy set forth. Each association had their own by-laws and guidelines, and if they chose to be recognized by the City, there were criteria to be followed. They were not for-profit businesses and should be able to conduct themselves accordingly.

Commissioner Hutchinson supported this policy as did Mayor Naugle. Commissioner Moore stated that the way this was written, the splinter group would have to go back to the original group who they were dissatisfied with, and be recognized. He did not feel that was feasible. He asked why the time period of one year was chosen for possible solution.

Mr. Kasten explained that if this became policy, it would be a policy of the City and they would force the original group to recognize them. A time period was given of one year because things take time.

Commissioner Smith reiterated that the Council was given a charge and he felt they misunderstood his position as to what should be done. Historically, there were problems in various neighborhoods, and a solution was never arrived at as to how to resolve disputes between two groups. He wanted a real solution. He felt that the Council thought the Commission wanted cover, but he wanted a real solution to the problem. They were on the right track by deciding on a time period and forced mitigation, but no real incentive was being provided for a permanent solution.

Mayor Naugle reiterated that there was a built-in solution in the recommendation that elections would be required. He further stated that the splinter group had the ability to get elected to the main group.

Commissioner Smith stated that Seminole Drive was 2% as large as Coral Ridge, and if they wanted to break off they couldn't. Commissioner Moore stated that he appreciated the election process and felt it would be a life saver, but he was concerned about the length of time being given. He felt six months would be sufficient time to come to a resolution. He thought that one-year just dragged the matter out.

Michael Kasten felt there would be no problem in shortening the time period to six months for resolving disputes.

Action: Approval with the change for resolving issues be made from one year to six months.

Commissioner Smith stated that he had two Commission reports to give and Mayor Naugle stated this could be done after the CRA meeting.

At 4:02 p.m., Mayor Naugle announced that the City Commission would now meet privately regarding litigation strategy in connection with the following cases:

- Workers Compensation File No. WC-91-6542 Addison Lane
- Workers Compensation File No. WC-05-0954 - Cleveland Smith
- Labor Relations File No. LR 99-798 - Wanda Del Toro

At 4:30 p.m., the closed door session was adjourned.

I-F – Freedom Schooner Amistad

Commissioner Katz stated that she was under the impression they were asked to raise a certain amount of money and asked if they had raised it. Commissioner Moore stated there was a Committee formed to bring the Amistad back for a return visit, and the concern had been there would be a number of commitments for sponsorship, but no checks. They had met those commitments and believed they would be able to generate the money that was needed. Commissioner Katz asked what happened if the money was not raised. Commissioner Moore stated that he thought that the difference would be the City's contribution, however, he was comfortable that the verbal commitments would turn into money. Commissioner Hutchinson questioned the economic viability of the ship coming to port, and Commissioner Moore felt it was very viable, but he did not have exact figures. He further stated that the last time the Amistad had visited, it had cost the City no money except for the power hook-up at the docks. Commissioner Moore added that the Chair of the Committee was Charlie Ladd, and the Committee felt very comfortable in raising the funds.

I-G – Rahn Bahia Mar Ltd. Dock Renovation Project

The City Manager stated that correspondence was received from Mr. James Blosser who represented the developer and he would be making a presentation at today's meeting.

Mr. Blosser stated that a letter was distributed summarizing where the Bahia Mar project was located. He explained that this involved total replacement of the boat docks and would cost about \$17 Million. The timing was to get this project completed after the Boat Show and before the commencement of the next year's Boat Show. Contracts had to be obtained by August 1, 2002. Planning and Zoning would review this tomorrow night and it would come before the Commission on September 4, 2002. Last week a vote of 7-0 was received from the Board of Adjustment for the necessary landscape variances.

Mr. Blosser explained the project on the map to the Commission. He stated the existing docks were in red, and the proposed docks were in blue. He explained they met with the west track people, the Coast Guard, the charter boats, and the Idlewyld neighborhood. They were asking that the City Commission state any objections they might have regarding this project, and under the terms of the lease with the City they needed Commission's consent for any major renovations. Two provisions in the lease required that a first class marina be maintained. The docks were 50 years old and needed updated.

Commissioner Moore left the meeting at 4:34 p.m.

Commissioner Smith stated that he had some maintenance issues on the walk-over.

Kevin Quirk, General Manager, stated they were aware of the matter.

Mr. Blosser added that they wanted to thank Judith from the Coast Guard Auxiliary for all her assistance thus far with this renovation project.

Action: This matter was to be placed on the September 4, 2002 agenda.

I-H – 2002 Organizational Climate Employee Survey

The City Manager stated that an employee survey covering all employees had been done. This was the first time a survey was done encompassing the entire work force. Over 50% of employees responded and qualitative reports were distributed. He continued stating that there were 8 areas of concern. The important thing was for the Commission to hear that they were not going to be judgmental about the comments from the survey. They were accepting the feedback giving a clear indication about what areas they needed to work on and how to improve things. It verified some preliminary results in Mr. Latimer's report particularly about communication, recognition, and the promotion system. In September or shortly thereafter, they planned to return to the Commission with an action plan. There would be a series of meetings scheduled with employee work groups with representatives

from ETC to deal with the issues. The City Manager reiterated that there would be NO tolerance for anything resembling retaliation and it would go the other way as well. This survey was to be used in an attempt to improve the organization.

Chris Tatham, Vice President of ETC, stated that he would briefly review the results of the survey, but before he did that he wanted to commend the City for conducting this survey. Most cities were afraid to hear what employees think. There were issues of morale in all cities and this was a major initiative to allow the City to see where they were at and how to build a direction for having a better City in the future. He explained that cities that did this got better with the right leadership. The challenge was for the City not to get stuck in the weeds. He explained that he would be making some very clear recommendations in the next 10 minutes.

Commissioner Smith asked if Mr. Tatham would state how Fort Lauderdale compared to some other cities. Mr. Tatham stated that today he would not do so, but in a report later on the information would be forthcoming.

Mr. Tatham stated that he would first discuss the purpose of the survey and then proceed to the results and recommendations. He explained that he would be talking about resources, strategic direction, benefits, professional development, work environment, communication, rewards and recognition. The key thing was to identify the top priorities in each area and come up with a mechanism to evaluate change over time. The biggest constraint for cities today was resources. If had a work place where employees were more productive, that would help in delivering better services to residents, and this was a key element to this study.

Mr. Tatham explained that the survey consisted of 12 pages and took approximately 25 minutes to complete. The participation rate of 50% was high. The results were valid and were within a plus or minus of 2 ½%. The demographics showed the survey was well represented by each department and was on target in the overall results. No department was excluded.

Mr. Tatham stated that the general perception employees had about working for this City was favorable. About 85% thought this was a good place to work, and 80% would recommend a job with the City to a family member or friend. Two-thirds indicated they were satisfied with their current employment. Most employees recognized there were issues to be addressed. He remarked that it was easy to get "hung-up" on negative responses, but those responses were based on the idea that people believed they were giving constructive feed back which would help the organization to improve.

Mr. Tatham stated the first area of concern was resources. The majority of employees gave positive ratings for most of the items such as voice mail, e-mails, timely deliver of supplies, availability of city vehicles and so on. The item that stood out was that only 24% was satisfied with the City's efforts to fill job vacancies. There were high levels of dissatisfaction with this issue and this was an important item to employees for the next few years. By

addressing this issue, there could be a positive impact on morale which would lead to an increased amount of productivity among the employees.

Mr. Tatham continued stating that the next item looked at was the working environment. The majority of employees gave high ratings to most items such as respect by co-workers, senior management, level of hostility in the work place and so on. There were segments that needed addressed. One out of three employees felt there was a level of hostility in their work unit, and one out of ten felt that discrimination existed. This was not necessarily wide spread in every department, but there were sections of the City where this needed to be addressed.

Mr. Tatham remarked that tops on the list was that senior management should treat the employees with respect. This needed to be addressed in order for the organization to move forward.

The third core area looked at was communication. The majority of employees gave positive ratings to the issues, but the No.1 need was timeliness. Many employees felt they were left out of the loop and information was not always received when needed in order to do jobs effectively.

Mr. Tatham stated that the fourth area dealt with compensation and benefits. The majority of the items such as sick leave, accuracy of the pay system, familiarity with retirement benefits, and so on were thought to be satisfactory by the employees. Only 9% felt the City did a good job of managing the employee health insurance program. The surprise was the magnitude of dissatisfaction and the City needed to address this issue. Input from employees on this matter was critical to success. A majority of the people picked this item as a top priority for the next two years.

Mr. Tatham proceeded to explain that in relation to rewards and recognition most employees felt their work was evaluated fairly. More than half of the survey indicated that employees felt that adequate recognition was not received for good job, and promotions not awarded fairly. A portion of the employees felt that poor performance was not dealt with fairly either. The key issue here was equity in the system if one desired good productive employees who wanted to advance. Mr. Tatham explained on a chart issues that dealt with poor performance and fair promotions which were the top two items that should be addressed in the area over the next two years.

Mr. Tatham stated that in regard to the strategic direction of the City, the majority of employees felt they were not wasting time. Only 25% felt they understood how their job and their department supported the City's vision. This was critical if one wanted a City where all departments supported each other and provided services effectively.

The last item was professional development issues. The majority of employees felt they gave positive ratings for the adequacy of training for their job and they felt they received constructive feedback from their jobs or supervisors. Only 14% felt the City did a good job

in preparing employees for promotions. One needed to look at long-term retention in keeping good employees.

Mr. Tatham continued stating that in looking at the top priorities, the No.1 issue from an employee basis was the fact that employees felt that resources were the No.1 category. Work environment was second and communications was third.

Mr. Tatham stated that he would not go into detail today as to how to identify these priorities as to agreement analysis. Not only did one look at someone's dissatisfaction with something, but one also looked at the importance they were placing on those issues. Things that people felt were not being done well, tended to be top priorities and should be in the short term.

The recommendations developed were: (1) Openly share this data with the employees. Management and the Commission needed to embrace this survey data and understand this is the free picture and they now know what to do with it. There had to be a commitment for change, but there could not be a hostile atmosphere or people would never give their comments again. (2) No Tolerance policy related to gender or racial discrimination. This still existed but needed to be reinforced, especially in some departments. (3) The City needed to do a better job in filling job vacancies. (4) Fixing the health plan. (5) Making sure employees understood the City's vision, and then they could promote interdepartmental cooperation. (6) Expanding programs for preparing employees for promotion. (7) Holding management accountable for merits earned by employees.

Mr. Tatham stated that in August they would be presenting the results of the survey to the employees and then it would be up to the City Manager's team and the departments' teams to identify what their priorities were and their concepts. He reiterated that success hinged on the input from everyone in the organization. Everyone had to participate and be willing to make changes, otherwise one would not be successful.

Mayor Naugle asked if this survey would be done on an annual basis in order to measure improvements in different areas. The City Manager stated they needed to determine the time span that would be used. He suggested a 3-year time period and felt the survey would be valuable if they came back and showed that some changes and improvements were made. Mayor Naugle stated that the comment about no retaliation needed to be stressed. The City Manager stated that this survey was being taken very seriously and thanked everyone for their cooperation.

Commissioner Katz asked if there would be implementations and strategies that would come from the survey. The City Manager stated that over the next several weeks meetings would take place with employee groups and a game plan would be developed to deal with the issues. Commissioner Katz reiterated that plans could be used or shelved, and she wanted to have some assurance that this plan would be used.

Mr. Tatham remarked that the City needed to hold itself accountable and efforts made to

effect changes, and then when new surveys were taken, the results would show.

Mayor Naugle suggested that a time period be chosen and status reports delivered regarding changes and improvements being made. He believed this would be a benchmark to measure progress. The City Manager stated that the first report should contain the City's top priorities. One of the things that came out of this debriefing was that among all the things listed, everything could not be accomplished at one time. The first task for labor and management would be to list the top priorities to be worked on.

Commissioner Hutchinson stated they were on the right road and the only way to fix things was to accept constructive criticism. She commended everyone who responded to this survey and appreciated their candidness. She hoped that in 3 years when the survey would be conducted again, progress would be evident.

Commissioner Smith stated that he agreed with Commissioner Hutchinson and was encouraged that employees wanted promotions, training, and recognition for their hard work. He felt these were all positive comments. Commissioner Smith asked Mr. Tatham why he did not compare Fort Lauderdale's survey results to other cities.

Mr. Tatham stated that in most cases Fort Lauderdale rated below other cities, but he did not want to give a lot of detail at this point because it could keep the City from focusing properly on the survey. He reminded everyone that this was the first survey they did, and the whole idea in the future would be to focus on closing the gap in the survey in comparison to the other cities.

Mayor Naugle stated that he was personally mentioned in some of the comments, and he was criticized for his position regarding management's contribution to the health plan. He remarked that the survey was done at a time when various positions were being taken with labor and management.

Ian Kemp, President of the Firefighters' Union, stated that their men and women were enthusiastic in knowing that the City was asking for their opinions. No matter what, they would push forward and continue doing their jobs and protecting the citizens.

Fred Roses, First Vice President of the FOPA, stated that he wanted to thank management for the work they did in conducting the survey. They felt the right company had been selected for the job. He was concerned that 25% or 75% of the employees did not understand the City's mission. He felt if this matter was focused on, the morale problems could be solved. He suggested that possibly an orientation process be developed to assist the employees.

Action: Recommendations and regular status reports to be provided to the Commission.

I-I – Proposed Amendment to the Unified Land Development Regulations (ULDR) - Barrier Island (Central Beach Area and North Beach Barrier Island)

Cecelia Hollar, Construction Services, stated that the Commission asked for statistics on the 20% proposed reduction in the Barrier Island zoning district and establish a limit where none existed. She stated that they were providing a table showing all the districts and their densities at this time, and what the density would be with a 20% reduction.

Mayor Naugle stated that the recommendation was that this could be implemented after the completion of the ULI study. He explained that he did not want this based on ULI's recommendations.

Commissioner Smith explained that he agreed with the reduction in density for the residential portions, but he felt they should not tie the hands of any future developer. He felt this was a disincentive in building hotels on the beach and were moving in the wrong direction. He emphasized that they needed to stress hotel building and possibly increase the heights, but decrease the height of the condominium units.

Mayor Naugle asked Commissioner Smith if he felt they could accomplish the residential portion of the reduction. He remarked there was a blur when speaking about condo/hotels. Commissioner Smith emphasized that a condo/hotel was a hotel; it was not a condo. Discussion ensued over the terminology. *Cecelia Hollar* stated they would have to show certain elements, including licensing for a hotel.

Commissioner Smith stated that he would like the reduction for the residential units. He remarked that tourism was their #1 economy and hotels were needed on the beach. Commissioner Hutchinson suggested revisiting this issue after the ULI study was completed. Mayor Naugle suggested the Commission be given a description as to how the structures differed. Commissioner Hutchinson stated that she was in favor of the 20% reduction, but she was not convinced and felt everyone would start building condo/hotels. She asked what really constituted the structure from being a hotel versus a condo.

Cecelia Hollar remarked that the only difference according to Code was they had to operate as a hotel and see a trend where units were being sold. She explained there was no limitation. Commissioner Smith stated that individuals paid a lot more for the hotel/condo units and were considered investments.

Mayor Naugle reiterated that they were talking about a limited period of time and stated he was comfortable in moving ahead with the reduction strictly for residential units at this time, and during this time differences could be shown regarding the condo/hotels and later on include those structures.

Commissioner Katz remarked that in the CB area the County recently reduced it to 25 units per acre. She asked that if this reduction was passed would they go another 20% down from that figure. *Cecelia Hollar* explained there was no change proposed for the CB area. She

further stated they were not waiting for the study, but were continuing hopefully with the Commission's support to work with the North Beach Committee and work on the issues.

Bennett Zarron stated that they wanted the City Commission to permit them to continue with the study they had been conducting for the last 7 months, and it had been extremely successful. He felt they came up with changes that would be good for the neighborhood, the City, and the developers. He suggested coming to the Commission in October with a concise report addressing all issues.

Mayor Naugle reiterated that they were not making any final decisions and were going to wait on the results of that Committee, along with the ULI.

Action: Consensus for a 20% reduction for the residential portion and a hold would be put on the hotels until structures were further defined.

Commissioner Katz stated that the community needs to see where the density and height should be, and where it should be reduced.

I-J – Amendment to Unified Land Development Concept to Revise the Administrative Site Plan Amendment Process and Criteria

Commissioner Smith asked if this could be heard after tonight's meeting due to running out of time.

Mayor Naugle asked if this was time sensitive and if this could be discussed at the end of this meeting or in September.

Cecelia Hollar, Construction Services, stated that this was something that needed to be brought back to the Commission per their request and would take their direction from the Commission.

Action: Mayor Naugle stated this could be discussed after the Regular meeting.

I-K – South Andrews Avenue Corridor Master Plan/Development Guide Request for Proposals (RFP)

Commissioner Hutchinson asked if this could be moved. She stated that she had a commitment from the Hospital District to match their money up to \$25,000. She stated that the problem was that the first scope of services which went out did not address things. The City realized the original RFP did not address what they were looking for. She remarked that this was a vital study to be done.

Commissioner Katz asked if the Master Plan Consultant could do this and therefore help to limit costs. She felt they were doubling up on fees. Commissioner Hutchinson stated that the

consultant would be very busy and there should be a consultant to review South Andrews. The study being done was not going all the way down and was only going to 7th. She reiterated that South Andrews went all the way down to 84. She wanted to have this done.

Action: Approved as discussed.

At 5:15 p.m., the Conference meeting was recessed.

At 5:16 p.m., the Conference meeting was reconvened.

I-L Florida Department of Transportation

The City Manager stated that when FDOT saw the length of the Commission's agenda, they deferred this matter.

Action: Deferred.

IV – City Commission Reports

- City View

Commissioner Smith stated that there was a report from City View distributed to the Commission. He reiterated that both he and Commissioner Moore represented sections of City View. He explained it was a “tortured” community due to the problems with the different developers in the area, and major problems were left over. They were attempting to unite and look to the future. He remarked the community did not have all the documents they needed such as titles and warranties and asked staff to accommodate them.

Commissioner Smith stated that it could be substantiated that they had \$100,000 worth of damages that the City was responsible for due to bad inspections or failure to keep promises and agreements. They hope the City would fund some of the specified problems they have identified by contributing \$14,000. He remarked they needed documentation and COs were never obtained. If this would be done, they would relinquish everything else and move toward the future.

Mayor Naugle stated they received this last Thursday and it was asked that the City Manager report back in September whether the City could accommodate the requests. Commissioner Smith confirmed.

Action: Staff to provide report at the September meeting.

- Police and Firefighters' Appreciation Day - 9/14/02

Commissioner Smith stated that they were supporting this, and therefore, a list of 8 items were submitted that were needed for the event. Lists were distributed.

Kim Warren stated there was great support for this event and sponsors and community leaders helped financially, but certain items were still needed.

The City Manager replied that the items on the list could be provided and he would commit to those items.

Action: Request for items granted.

- Old Tree in Victoria Park

Commissioner Smith stated that a petition was circulated regarding the saving of a tree which was approximately 100 years old, but the current developer was planning on removing the tree. He felt the tree would make a lovely centerpiece for the new townhouse in the area. He proposed that the emergency proceedings be evoked according to the historic code and declare the tree historic. He stated that by starting the process, the tree could be saved during the proceedings.

Action: Motion to be made at the Regular meeting.

- Swimming Hall of Fame

Commissioner Smith stated that a letter was sent by the Beach Council regarding a new strategy for this matter. They identified six different funding sources that would allow everyone to proceed. Tax increment funding was one of the six sources, but they discussed seeking other grant monies, naming rights, public/private partnership, restaurant, and raising money from the beach community.

Mayor Naugle stated that he believed this agreed with the Commission's previous position.

Commissioner Smith stated that if only TIF monies were used, they would have to use all the TIF from St. Regis and Palazzo and cancel the streetscape project. This would not be a reasonable way to fund the matter.

Pete Witschen, Assistant City Manager, stated there were other alternatives for funding that could be factored in.

Mayor Naugle stated that different funding sources from the State were used for the present aquatics complex. Grants were received and the bond issue also helped fund this.

Action: Staff to provide a timetable for funding and grants no later than the September 17, 2002 meeting.

- Broward County \$400 Million Parks Bond

Commissioner Smith stated that there were commitments received from the County. He had a parcel in his District for the BridgeSide Square area. It cost more than \$2 Million, so therefore, the County did not move ahead, and it was up to the City. The whole parcel was not for sale. The deal was that the large parcel was for sale for \$2 Million, except there was a \$211,000 assessment from the City, and if the City would pay the assessment, he would sell the parcel for \$2 Million. The community wanted this and hoped the owner would give the City the other portion of the parcel if State funding could be obtained.

Mayor Naugle asked what the timetable was for this matter.

Commissioner Smith stated that they needed to find a creative way to eliminate the \$211,000 assessment.

Commissioner Katz stated that she received some calls from the community because they wanted to discuss the matter further and asked if the City Commission could hold their discussions on this.

Commissioner Smith asked the community representatives if they had changed their minds.

Lu Deaner, representing the North Beach Island Alliance and Chair of the Greenspace Parks Committee, stated that for the last 3 years they were attempting to get a park in the area, and therefore, asked the Commission to proceed with this matter.

Gary Sieger, President of the North Beach Island Alliance, stated that the lands in question were under extreme pressure from the developers. Monies were available and the owner was willing to sell, the only draw back was to seek out funds for the additional section of the parcel. He urged the Commission to move forward.

Mayor Naugle asked if this was time sensitive and did they need to obtain an answer before September, and if so, could the City Manager bring forward information after the CRA meeting on July 22, 2002. Commissioner Smith stated it was time sensitive because the owner had two other purchasers interested who wanted the parcel for a development.

Action: Staff to report back at the July 22, 2002 meeting.

- Zoning in Progress for the 20% reduction in height

Commissioner Katz stated that she met with the Galt Ocean Mile Community residents and business owners and wanted to request that it be given the 20% reduction to establish zoning in progress, except for the Galt Shops Area who wanted to be exempted since they were in the process of a development.

Mayor Naugle asked how this could be accomplished.

Dennis Lyles, City Attorney, explained they needed to advertise.

Mayor Naugle asked if a motion could be made to reconsider the area.

Action: City Attorney to review the matter and report at tonight's meeting.

- Request for Separate Zoning for 7.5 foot setback for the Bermuda Riviera

Commissioner Katz asked *Cecelia Hollar* to state for public record the conversation they had regarding this matter.

Cecelia Hollar, Construction Services, stated that this area was RS-8 and they met with the representative of the Association, Don Bastedo, and discussed some information. They could do a Code change, but wanted to work with the community to get information on what was existing today, how many homes were built according to the 7.5 and how many were not. She stated that in order to properly establish zoning in progress the problem was due to the July 4th holiday, they could not publish in time. She stated this would be brought back before the Commission in September.

Action: Zoning in Progress to be considered the first meeting in September.

Commissioner Smith asked if the Galt Ocean Mile matter should stand like the rest of the Barrier Island regarding hotels. Commissioner Katz agreed.

Mayor Naugle stated that originally restrictions on height would be south of Oakland Park Blvd., but they would now include north of Oakland Park Boulevard, including the density reduction.

- City Clerk Salary

Commissioner Hutchinson stated that the City Clerk had distributed background information regarding salaries in the County and other cities. She wanted to make sure the Clerk was being paid accordingly. She asked the City Manager while working through the budget, he could review the background materials.

Mayor Naugle remarked that this was normally done after the budget hearing.

Commissioner Hutchinson reiterated that they needed to know if money would be allotted in the budget for this item. She felt it was appropriate to raise this matter now so the City Manager could review the situation, unless the Commission wanted this to come out of the General Contingencies Fund.

The City Manager stated that he understood the Commission's direction and felt they could accommodate an appropriate adjustment for the City Clerk.

Action: City Manager bring back information for discussion.

- Wingate Health Study Meeting

Commissioner Moore stated that he attended this meeting and a position was taken that there would be a test, a conceptual plan, whereby protocol would be followed so a review could be conducted regarding the health assessment. Through the ATSDR \$120,000 was put on the table and a consensus was to move forward with the plan.

Commissioner Moore asked that Mr. Kisela distribute a study that Dr. Clapp, who was renowned in toxic matters and in evaluating levels of toxic materials in communities, had published. It was a survey that had been done on health conditions of individuals in the area.

He also suggested that there be a positioning of staff for a peer review on how to evaluate and perform immediate testing for the arsenic levels in individuals in that area. He stated that he wanted this Commission to be informed of the impact of the magnitude of the study and how they should participate in the study.

Mayor Naugle stated that arsenic levels were apparent in every area.

Commissioner Moore replied he wanted to see reports as to what levels were unacceptable. Tests needed to be done and information needed to be gathered by staff giving a true assessment of the situation.

Commissioner Katz asked for an explanation of a peer review. Commissioner Moore stated that was where scientists reviewed what was being gathered, and what was measurable. How to deal with a true evaluation of the information being gathered. He suggested they use the PRP's. He wanted staff to give a protocol concept and peer review concept on how this data should be gathered and how it would be assessed. He wants the City to take the lead in addressing such a problem.

Greg Kisela, Assistant City Manager, stated that some reports would be published before the end of the year. He stated this was an extremely complicated process, especially with the Plaintiff's attorneys who were involved. The Department of Health was doing an update on cancer incident studies that were conducted in 1996, and other studies recommended last night that needed to go through sound science review and protocol. The additional step was to look at investigations through blood, hair and urine tests that could provide additional information. He suggested that in September they bring back to the Commission a summary of what was being proposed and what had been done. He reiterated that the Commission had been very supportive in having health assessments done.

Action: Staff was to report back to the City Commission as discussed.

Mayor Naugle stated that the additional items on today's agenda would be discussed after tonight's regular meeting agenda.

Meeting was recessed at 5:55 p.m., and reconvened at 8:00 p.m.

I-J - Amendment to Unified Land Development Concept to Revise the Administrative Site Plan Amendment Process and Criteria

Don Morris, Planner, stated that staff reviewed the Administrative Site Plan review process and changes were being proposed. The first eleven changes correspond to the specific criteria in the Administrative Review Process. The final 3 changes were additional criteria to be added to the process. The concepts were introduced for discussion purposes only and staff was seeking direction from the Commission.

Mr. Morris continued stating that the two major provisions were that all administrative site plan reviews would be subject to call-up by the Commission, and an appeal provision was added. If a developer did not agree with the administrative decision, he could appeal the decision to the Commission.

Commissioner Moore asked for clarification of Item No. 8 which pertained to the cumulative modifications to exterior architectural designs. Mr. Morris stated that currently there was no limit on the number of architectural changes that could be made to a building. This change would place limits on the amount of changes that could be made to a building, and if that number was exceeded, the developer would have to appear before the Commission. Mr. Morris stated that the number would be suggested by the Commission.

Commissioner Moore stated that he was not in favor of Item No. 8. He stated that if modifications were to be made to a building due to cost factors, which did not compromise the standards set by the Commission, why should the developer be slowed down. He stated that he was particularly concerned about this in the CRA and did not support this item.

Mayor Naugle asked if there would be a call-up provision in connection with Item No. 8.

Bruce Chatterton stated that the item could still be called up. He further stated that regarding the three changes, they had approximately 200 administrative reviews each year and this was based upon the thought that once one got past three architectural changes, one could be looking at a totally different building than what had originally been proposed.

Commissioner Smith stated that this was the ultimate in micro-management. He continued giving examples of how changes could actually improve the looks of a structure. He further asked why a builder would be allowed to increase floor area ratio as stated in Item No. 3.

Don Morris explained that Item No. 3 dealt with the height of the habitable structure. He further stated they could no longer administratively approve increases in height. Commissioner Moore stated that he disagreed with that item.

Commissioner Moore asked if this matter could be placed on the Commission's agenda for the September 4th meeting, thereby giving them an opportunity to review the recommendations made by staff.

Commissioner Hutchinson stated that she was not interested in micro-managing the Planning Department, and she had confidence in the staff. She stated that there were two projects that this fell in line with and she did not approve of. She further stated that she did not feel this should be a call-up. She felt it would hinder redevelopment in areas of the City due to the restrictions being placed on the developers.

Commissioner Katz stated that if they went by the general principle and how to make it work, they did not want the buildings to be any higher, no changes in setbacks, and no major changes in appearance. She reiterated that when everything was put together, could end up with a totally different building.

Commissioner Smith remarked that no one planned all the details for the buildings until they received an approval, and only a general idea was developed.

Ms. Hollar stated they would be happy to come back with concepts focused on the three issues Commission was concerned about. She asked for clarification regarding the Commission's concerns about height. Commissioner Smith stated they were concerned about the height issue, and architectural features. He also stated they wanted more information on reductions for setbacks. Ms. Hollar stated they would attempt to tackle the appearance issues and gather examples for their discussion.

Mayor Naugle stated that when major changes were made, he wanted the ability to have the Commission to call-up the project. Ms. Hollar stated they would return with the concept of a call-up and discussion could be held by the Commission.

Charlie Ladd, Barron Real Estate, stated that he received a copy of the memorandum through the DDA and felt that the permitting process was very difficult for the small investor and these restrictions would discourage development. He also stated that he was concerned about the item regarding change of use.

Commissioner Moore stated that since this item was tabled until September everyone would have the opportunity to give their input.

Action: Further discussion to be scheduled for September 4, 2002.

II-A – Florida League of Cities - Police and Fire Pension (Florida Statutes Chapters 175/185)

Commissioner Katz asked if this could be deferred because she wanted to hear the other side of the story and receive additional material for review. Commissioner Hutchinson

agreed. Commissioner Smith stated that he felt everyone was confused because the matter was very complicated.

Commissioner Moore stated that he had no objection to tabling this item, but he felt it had an impact on the City as a municipal entity. He further stated that he had a phone conversation with Mr. Kemp and Mr. Kahn in an attempt to understand the difference, which basically was the March, 1999 date. He further stated that there could be an impact to municipal entities with the move, but it might not impact this City.

Mayor Naugle reminded everyone of the workshops scheduled in Boca Raton in August by the League of Cities.

Mayor Naugle reiterated that this item would return before the Commission after additional information was obtained. He suggested that someone from the League of Cities attend the Commission meeting in September.

Action: Additional information to be provided for further consideration.

II-B – Parks General Obligation Bond Projects - Quarterly Report for the Second Quarter of 2002 (April to June)

Commissioner Katz stated that she went to Washington, D.C. and spoke to individuals in various departments at the federal level who would be in touch with Mr. Burkeen and herself regarding green printing which was similar to master planning, only they would do the work.

Action: Approved report.

II-C – Citywide Parking Rate Study by Kimley-Horn and Associates

The City Manager requested that this item be tabled until the September Commission meeting.

Action: Tabled.

II-D – National Conference For Community and Justice (NCCJ) Training Proposal

Mayor Naugle remarked that item II-D had also been tabled.

Action: Tabled.

II-E – Employee Health Insurance Benefits

Commissioner Moore felt they needed to hear from the consultant regarding the deficit.

Lloyd Rhodes, President of Rhodes Insurance Group, stated they did not receive anything definitive from the actuary as of this time. He felt they needed to be careful in reviewing the actuary's numbers to make sure everyone agreed and to make sure that the information being presented was correct and clear. He explained they met with the Union, staff and BMC in order to put together an action list. He stated that information would be released as they receive it and they were taking a greater role in this since the departure of the risk manager last Friday. He further stated that he was happy to work with the union consultant.

Commissioner Moore remarked that he was in favor of the material submitted regarding the prescription drug use, but he felt they needed numbers. Mr. Rhodes stated that he expected to receive a draft this week. After those numbers were reviewed, he would release the information which could take about two weeks. Commissioner Moore remarked that there was a comment made that a benefits manager might be hired around October 1st and asked if that hiring could be expedited.

The City Manager explained that they started the process for hiring a benefits coordinator a few weeks ago. He stated that they also accelerated a process through the City's own resources and personnel to hire a replacement for the risk manager.

Damon Adams, Director of Finance, stated that both positions were being worked on. The benefits manager was included in next year's budget, but they would not wait until then to fill that position. The job descriptions were out and positions were advertised. The City Manager explained that the duties of those positions were temporarily being taken over by Mr. Adams and Mr. Sharp.

Commissioner Moore stated that he preferred to receive information before the news media obtained it.

Commissioner Hutchinson stated that they were hinging their lives on an actuary, and the one present at the earlier meeting did not give enough information regarding the marriage penalty clause.

Mayor Naugle reiterated that the actuary stated there would be a loss of savings and it would cost the City money.

Barry Capreta stated that the first actuarial study was not accurate and that was one reason why everyone was discussing this matter now. He explained that actuarial studies were based upon claim information. He further stated that Commissioner Moore's concern that this could be \$12Million in red ink was valid.

Commissioner Moore stated that he was concerned with the duplications that were involved in the process. He felt they needed to gain control because the real concern was benefits.

Scott Holland, lifeguard, stated that he heard this issue for many months and it always failed. He continued stating that they had an issue with the City policy which required employees

to bring a doctor's note after a certain amount of sick time. He stated that cost the system money.

Commissioner Moore remarked that this issue had been raised before and the City did at one time have a nurse as part of their staff. This matter was discussed but no conclusions were reached.

III-B – Advisory Board Appointments

FPL Citizen Committee

Commissioner Hutchinson stated that on the FP&L Board , she had originally appointed Ralph Eiler and since he had been unable to attend most meetings, she wanted to replace him with Christine Campbell.

Performing Arts Center Authority

Commissioner Smith stated that Carl Mayhue had been serving on the Performing Arts Center Board for a very long time and he wanted to re-appoint him. He suggested they create a member of emeritus position for Mr. Mayhue, and add Alan Levy to the Board. Mayor Naugle stated that the Legislature created the Authority along with the DDA and the County Commission and they would have to concur with these positions. He agreed about re-appointing Mr. Mayhue. He stated that this was created by Senate Bill No. 776. Commissioner Katz stated she would support this.

IV - City Commission Reports (Continued from Page 26)

Maryland Smartgrowth Program

Commissioner Katz stated that while in Washington, D.C. she saw how properties were developed, including affordable housing and multi-use projects. She stated that she also spoke to the representative of Maryland's Smartgrowth Department and received a lot of information. Commissioner Katz stated that she also went to their FDOT and receive information regarding bikeways and transit. She stated that regarding Hope 6 projects, density could be put in an area and still have it look attractive. She commented that affordable housing could also be put with market rate housing and no difference was noted. Commissioner Katz reiterated that she wanted to share the information she obtained with the Commission. Commissioner Smith asked if she wanted to make it a conference item and share some of the details with everyone. Commissioner Katz stated if time was available she would be happy to do that. Mayor Naugle suggested they have a sharing

session with all groups that would be interested.

Florida League of Cities Conference

Commissioner Moore reminded everyone that the State League meeting would be held in Boca Raton on August 16-19 and hoped some people would attend. He was running for the Second Vice-President position and needed everyone's votes.

Conference meeting adjourned at 8:55 p.m.

Note: A mechanical recording has been made of the foregoing proceedings of which these minutes are a part, and is on file in the office of the City clerk for a period of two years.